

**31A-19a-202 Rating methods.**

- (1) To determine whether rates comply with the standards under Section 31A-19a-201, the commissioner shall consider the:
  - (a) criteria listed in Subsection (2);
  - (b) classifications, if any, permitted under Subsection (3);
  - (c) expenses described in Subsection (4); and
  - (d) profits described in Subsection (5).
- (2) In determining rates the commissioner shall consider within and outside of Utah:
  - (a) past and prospective loss experience;
  - (b) catastrophe hazards;
  - (c) trends;
  - (d) loadings for leveling premium rates over time;
  - (e) reasonable margin for profit and contingencies;
  - (f) dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders; and
  - (g) other relevant factors.
- (3)
  - (a) Risks may be grouped by classifications for the establishment of rates and minimum premiums.
  - (b)
    - (i) A classification rate may be modified to produce rates for individual risks in accordance with rating plans or schedules that establish reasonable standards for measuring probable variations in hazards or expense provisions.
    - (ii) The standards described in Subsection (3)(b)(i) may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses.
  - (c) Notwithstanding Subsection (3)(b), risk classification may not be based upon race, color, creed, national origin, or the religion of the insured.
- (4) The expense provisions included in the rates to be used by an insurer shall reflect:
  - (a) the operating methods of the insurer; and
  - (b) its anticipated expenses.
- (5) The rates may contain provision for contingencies and an allowance permitting a profit that is not unreasonable in relation to the riskiness of the class of business. In determining the reasonableness of the profit, consideration may be given to investment income.

Renumbered and Amended by Chapter 130, 1999 General Session